

00546

1981/04/10



~~CONFIDENTIAL/NOFORN~~

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON D.C. 20301

April 10, 1981

MEMORANDUM FOR B. C. EVANS
EXECUTIVE SECRETARY
CENTRAL INTELLIGENCE AGENCY

SUBJECT: Potential Munitions and Commodity Export Cases
with China.

As part of the ongoing review of U.S. policy with respect to China, DoD has been working with other government agencies to identify various categories of defense-related equipments which are under consideration for provision to China. (C/NF)

It is requested that the appropriate personnel at the Agency review this draft package and provide us comments on:

- a. Chinese need for materials described herein;
- b. the ability of the Chinese to pay for and/or use these materials; and
- c. expected Soviet reaction if the U.S. were to provide any or all of these items.

Any other comments you feel are germane to the general subject of such a relationship with the Chinese would also be appreciated. (C/NF)

A response by 1 May would be appreciated (if that is not reasonable, please let me know). (U)


H. Rixse
Special Assistant

Attachment

DECLASSIFIED BY AUTHORITY OF
CIC

~~CONFIDENTIAL/NOFORN~~

DATE

CASE #

Spec Asst

9 APR 1987

SEC DEF CONTR No.

X13803

FOR EMILY/ONE CALLS BELIEVED TO DO SINCE 1 JANUARY 1968

1961 APR 1 AM 7

Final of 106 Cases referred to BPP by Office of Marijuana Control. Department of State

Corporate State Boundary

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16 October 1950. 12 noon. 2 minutes.
 returned 11:45 (200)

- 3 -

一、二、三、四、五、六、七、八、九、十、十一、十二、十三、十四、十五、十六、十七、十八、十九、二十、二十一、二十二、二十三、二十四、二十五、二十六、二十七、二十八、二十九、三十、三十一、三十二、三十三、三十四、三十五、三十六、三十七、三十八、三十九、四十、四十一、四十二、四十三、四十四、四十五、四十六、四十七、四十八、四十九、五十、五十一、五十二、五十三、五十四、五十五、五十六、五十七、五十八、五十九、六十、六十一、六十二、六十三、六十四、六十五、六十六、六十七、六十八、六十九、七十、七十一、七十二、七十三、七十四、七十五、七十六、七十七、七十八、七十九、八十、八十一、八十二、八十三、八十四、八十五、八十六、八十七、八十八、八十九、九十、九十一、九十二、九十三、九十四、九十五、九十六、九十七、九十八、九十九、一百。

(continued from page 1)

PROPERTY OF: U.S. AIR FORCE/70115/10 MAR 1961
CROSS-CLASSIFIED

FOR OFFICIAL USE ONLY

Red: Strong PRC Interest
Green: PRC Interest, although
not overwhelming
Blue: Doubtful

2011

1. The first step is to identify the problem. This involves understanding the situation and the goals that need to be achieved.

REPORT OF TECHNICAL DATA FOR SALES PROMOTION (SEP-31-1968)

CHRG. NO.	DATE MAILED	COMPANY	DESCRIPTION	REMARKS CLOSING/RE- OPENING/RE- SUSPENSION	STATUS CLOSING/RE- OPENING/RE- SUSPENSION
101070	3 Feb 68	D-Systems, Inc.	AD/700-24, AD/700-41, AD/700-41, AD/700-11A	Closed - No objection	Approved 4 Sep 68
103336	4 Apr 68	Littell Systems, Inc.	LVP-51/710 System Test Station	Closed - No objection 15 Apr 68	Disapproved
103338	3 Mar 68	OTCON, Inc.	M3133 Computerized "Nimble" Accuracy, etc.	Closed - No objection	Approved 19 Jan 68
105543	20 Mar 68	Lockheed Aircraft Corp.	2275-11000 for Cargo and Troop Carriers C-130A	Closed - No objection	Approved 19 Jan 68
105544	20 Mar 68	Goodman Fire & Rubber Co.	Terrain Imaging Radar System for Battalion Reconnaissance	Closed - Withdrawn by Applicant	NA
105793	31 Mar 68	Hughes Helicopters	50000 Helicopter	Closed - No objection	NA
106039	10 Apr 68	Radcom	Teletype Unit	Closed - Withdrawn by OMC	Disapproved 10 Jan 68
106990	10 Apr 68	Fate	4000 1st Generation Mobiles	Closed - Withdrawn by OMC	Disapproved 10 Jan 68
107130	11 Apr 68	Compuart	Aircraft & Helicopter Maintenance Manual	Closed - Withdrawn by OMC	NA
107356	15 Apr 68	Boothroyd	20 System for Map	Closed - Withdrawn by OMC	Disapproved 10 Jan 68

REPORT OF TECHNICAL DATA FOR SALES PROMOTION (SEP-5 LICENSES) Cont'd

ORD NO.	DATE RECEIVED	COMPANY	DESCRIPTION	COMPLAINT/PLANT STATUS/REMARKS	DATE CLOSED
18711	30 Apr 60	General Dynamics	Ground Surveillance Radar	Closed - No Objection	Approved 6 Sep 60
18845	6 May 60	Tremco	WTA Field Protective Mesh	Closed - Withdrawn by OMC	Disapproved 19 Jun 60
18875	6 May 60	Lock Engineering, Inc.	DBIS III Missile Velocity Radar Set	Closed - Withdrawn by OMC	Disapproved 18 Jun 60
18903	12 May 60	General Signal Corp.	Yech. Data for Alert, IM 11A/6 Technical Transmittable Air Surveillance Radar System	Closed - No Objection	Approved 6 Sep 60
18976	13 May 60	QTE (Sylvania)	Stochastic Prediction Automated Tracking System	Closed - Withdrawn by OMC	NA 19 Jun 60
18985	23 May 60	B-Systems, Inc.	Yech. Data: AF/PM-26 and AF/PM-115 (TRACER RADAR SET)	Closed - No Objection	Approved 6 Sep 60
11149	13 Jun 60	Boeing Aircraft Co.	Yech. Data: Technical Description Automated Airspace Control System	Closed - No Objection	Approved 24 Sep 60
11376	23 Jul 60	Slager Co.	Yech. Data: C-130 Instrument Flight Simulator	Closed - No Objection	Approved
11382	18 Jul 60	B-Systems, Inc.	DB Radar Operator and Maintenance of Radio AF/PM-11 and AF/PM-26	Closed - No Objection	Approved 22 Jun 61
11537	1 Aug 60	Vought Corp.	Stochastic Beam Planning Guide Short Launch Vehicle System	Closed - NA	NA 27 Aug 60
11672	24 Aug 60	McDonnell Douglas	Technical Data - Space Launch Sys	Closed - NA	NA - 24 Sep

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FORM

REPORT OF TECHNICAL DATA FOR SPACE COMPETITION (SEP 1 1965)

CRASH NO	DATE month/year	COMPANY	DESCRIPTION	CONTEST/PRIZE placed/eliminated	STATUS Contest/Prize placed/eliminated
11792		Boeing	Yankee Project Earth Reconnaissance Satellite	Closed - no objection	Pending
118296	22 Sep 66	Boeing/Orbital	CAI Project Information	Closed - no objection	Pending
118332	22 Sep 66	Boeing Aerospace	B-7C Bomber's Blackout	Closed - no	Pending
119405	3 Oct 66	Boeing/Orbital	Blackout - 80-1000 Camera	Closed - no objection	Pending
119740	6 Oct 66	International Aircraft Corp.	B-10 AI Automatic Rifle	Closed - withdrawn by state	Nov - 8 Oct 66
122272	20 Nov 66	General Dynamics	On Request for 4000, 1 Aug 66. BAC-119 Long Range Photographic Camera System	Closed - no objection	Pending
123790	24 Nov 66	Yarn, Inc	Some 1st Generation Machine	Closed - withdrawn by CMC	Disagreement - 9 Jan 67
124144	3 Dec 66	Elmer Company	FTO. Lightweight Deployer Navigation System	Open - under review	Pending
124307	3 Dec 66	Apple Vertical 800	Yark Beta - All-terrain Beta System all-terrain Beta Substation Valley System	Open - under review	Pending
124308	7 Jan 67	Computer Systems	Statement of Qualifications of CMC to support the development of auto- mated logistic systems	Open - under review	Pending
127034	13 Jan 67	Bell	Autonomous, AM/AM-123 (1270)	Open - under review	Pending
128330	3 Feb 67	Cosmos Aircraft Corp.	Cosmos CIVATION (some 150 aircraft)	Closed - no objection	Pending

TEMPORARY SUMMARY OF REQUIREMENTS FOR SELECTED DEMONSTRATION (SEP-77) - (Continued)

CLASS NO.	DATE ACCESSION	COMPANY	DESCRIPTION	COMMENTS/STATUS	DATE ACCESSION
7-17845	20 May 80	Raytheon	PT-114/ABC-164 (MRF) Panel Layout Radio, Chassis, and Panel Mount Radio, Chassis, and Panel Mount Radio, Chassis, and Panel Mount	Closed - No Objection	Approved 11 Jul 80
7-17846	20 May 80	Raytheon	AD/PAC-68 Radio Set with Short Antenna, YS-1334/PAC-68 Test Set Battery Charger - for Signal-Correlation Batteries, and Technical Manual	Closed - No Objection	Approved 11 Jul 80
7-17847	27 May 80	B-System, Inc.	AD/PAC-61 PACAR Navigation Set	Closed - No Objection	Approved 11 Jul 80
7-17933	20 May 80	General Dynamics	Lightweight Ground Surveillance Radio	Closed - No Objection	Approved 4 Sep 80
7-18072	17 Jun 80	Littion	Interactive Display Terminal (IPT)	Closed - No Objection	Approved 11 Jul 80
7-18142	3 Jul 80	Math Line-Johnson	RF Receiver	Closed - No Objection	Approved 11 Jul 80
7-18202	9 Jul 80	Republic Electronics Ind.	REES-100 Radar Electromagnetic Environment Simulator	Closed - Withdrew by Applicant	11 Jul 80 24 Aug 80
7-18264	16 Jul 80	Telodyne	Operator NAV System (O-125) Computer Display	Closed - No Objection	Approved 11 Jul 80
7-18269	22 Jul 80	Tracor	AD-10 Countermeasures Dispensing System	Closed - 11 Jul 80	11 Jul 80 25 Aug 80
7-18337		Slide	Flight Vision Devices	Closed - Withdrew by GRC	11 Jul 80 28 Jul 80

TABLE

TEMPORARY REPORT OF EQUIPMENT FOR NAME/REVIEW DEMONSTRATION (IMP-73 - LICENSES)

CASE NO.	DATE RECEIVED	COMPANY	DESCRIPTION	CURRENT/PROPOSED STATUS/Disposition	DATE FOR STATUS DISPOSITION
P-18735	22 Aug 80	Ad General Corp.	Truck, 1/4 Ton, MB33 100mm	Closed - No Objection	24 Mar 81
P-18736	27 Sep 80	Tracor	Ad/A18-40 Countermeasures Diagraming System, (MC-178 Teletypewriter Set, MC-100 Magnetic Tape Cassette), Model 8000 Pined Second Communication Terminal, MC-13/MS-36 BMC	Closed - Partial objection - 3 Mar 81	Pending
P-18737	22 Sep 80	Vais	Model 8003 Night Observation Device	Closed - Withdrawn by OMC	Disapproved -
P-18738	22 Sep 80	Vais	Model 8004 Nightlight Scope	Closed - Withdrawn by OMC	Disapproved - Oct 80
P-18951	17 Oct 80	QinetiQ Laserjet Corp	QinetiQ Laserjet 31A	Closed - MM	Pending
P-18739	4 Dec 80	Omniplan Aircraft	Ad/PAC-104 or MC-191 800 MB Radion	Closed - No Objection	Appt - 6 Feb 81
P-18740	13 Dec 80	Spac International Inc	Auto Recovery System	Open	Pending
P-18741	12 Feb 81	General Dynamics	PD-11/13 Mini-computer system	Open	Pending

1000

ADVISORY OPINION ON SALE AND EXPORT OF EQUIPMENT

CLASS NO	DATE RECEIVED	COMPANY	DESCRIPTION	USED COUNTRY/REAL STATUS/Disposition	UNC COUNTRY STATUS Disposition
OC-4312	11 Jan 80	Bedilion Simulation, Inc.	SP2 Computer Generated Visual System for Flight Simulation (Component for MESSIER Flight Trainer)	Closed - No Objection	PMA 3 Jan 80
OC-4319	26 Feb 80	American Electronic Lab	EW Systems (Including Center Backed Spill Antenna)	Closed - No Objection	Approved 4 Jan 80
OC-4314	19 Feb 80	Emerson Electric	Prosecco Transducers	Closed - No Objection	Approved 4 Jan 80
OC-4317	25 Feb 80	Taladyne Systems "a"	Ad/Ad-123 Tactical Navigation Set for AW Helicopters	Closed - Withdrawn by UNC	PMA 14 Jan 80
OC-4331	25 Feb 80	Boeing Corp.	CM-47 Chinook Helicopter	Closed - No Objection	Approved 30 May 80
OC-4333	19 Feb 80	Gulf & Western Ind.	Small Caliber Ammo Manufacturing	Closed - Objection	PMA 3 Mar 80
OC-4342	19 Feb 80	Seleton, Inc.	Secure Communications Equipment for Embassy	Closed - No Objection	PMA 18 Apr 80
OC-4335	1 Mar 80	General Electric	Ground Based Radar	Closed - Withdrawn by Applicant	PMA 1 Jan 80
OC-4344	17 Mar 80	Avlin Corp.	Ad/TC-93 A Ad/UNC-301 Tripartite Com. System	Closed - No Objection	Approved 4 Jan 80
OC-4332	24 Mar 80	Westinghouse	TTB-43 Radar	Closed - No Objection	Approved 3 Jan 80
OC-4334	5 Aug 80	Westinghouse	Automated Mobile Operation Center to augment capability of Ad/TTB-43P Radar	Closed - Objection	Disapproved 1 Aug 80

ANALYSIS OF SALES AND EXPORT OF EQUIPMENT

CLASS NO.	DATE	COMPANY	DESCRIPTION	Current Status/Disposition	Current Status/Disposition
OC-46378	22 Dec 80	Westinghouse	AN/TPS-43 Radar	Open	Pending
OC-46379	22 Dec 80	Westinghouse	AN/TPS-43 Radar	Open	Pending
OC-46380	22 Dec 80	Westinghouse	Mobile Tactical Reconnaissance Facility with Range Radar Photocopy System	Closed - No Objection	Approved 4 Sep 80
OC-46381	4 Apr 80	Fairchild	M44A2 Cargo Carrier & M113A2 Filter Recovery Vehicle	Closed - Withdrawn by OMC	Disapproved 9 Jun 80
OC-46382	8 Apr 80	PMC Corp.	M-911 Tractor	Closed - No Objection	Approved 2 Jun 80
OC-46383	18 Apr 80	TeleDyne	Engine for Aircraft of Military Vehicle	Closed - Withdrawn by OMC	Disapproved 9 Jun 80
OC-46384	18 Apr 80	LTV	RODENT Launch Vehicle	Closed - Withdrawn by Applicant	Disapproved 9 May 80
OC-46385	23 Apr 80	Union	LA-31 for P-7 (m18) and P-9 (Patan-A Twin Engine Fighter Bomber) by OMC	Closed - Withdrawn by OMC	Disapproved 6 Jun 80
OC-46386	3 Jun 80	Summa Corp.	Boeing 3000 Helicopter	Closed - No Objection	Disapproved 5 Jun 80
OC-46387	4 Jun 80	TeleDyne	Cessna Citation aircraft as flying distance laboratories	Closed - No Objection	Approved 20 Nov 80
OC-46388	13 Jun 80	Tyndall Electric Corp.	1000 Silver-line Storage Batteries used on A10 aircraft	Closed - No Objection	Disapproved 5 Sep 80

TOTAL

TABLE

ADVISORY OPINION ON SALE AND EXPORT OF EQUIPMENT

DOC NO.	DATE RECEIVED	COMPANY	DESCRIPTION	DOC STATUS/STAGE		DATE
				STATUS	STAGE	
OC-4001	17 Jan 80	Barr Laboratories	Anti-aircraft search, target and fire control system	Closed - Withdrawn by DOC	Disapproved	27 Jan 80
OC-4906	4 Jul 80	Emerson	Sale and export of Alt/Walt equipment	Closed - No Objection	Approved	22 Dec 80
OC-4912	4 Jul 80	Lockheed	C-130A	Closed - No Objection	Approved	31 Jul 80
OC-4916	4 Jul 80	Boeing	BB-30 Aircraft Defense Radar	Closed - No Objection	Approved	24 Dec 80
OC-4916	24 Jul 80	Boeing	737-300 Trump Transport	Closed - No Objection	Approved	3 Dec 80
OC-4940	25 Jul 80	Si-Cell-O	Modernize their current inventory of tanks	Closed - Withdrawn by DOC	Disapproved	8 Aug 80
OC-4970	24 Jul 80	Si-Cell-O	V-150 Armored Cars	Closed - Withdrawn by DOC	Disapproved	17 Aug 80
OC-5018	7 Aug 80	Singer Co.	Distinctions on Dime Projection System	Closed - No Objection	Pending	
OC-5024	17 Aug 80	Westinghouse	Tech Data on Spaceborne Meteorological Sensors/Technology	Closed - Objection	Pending	
OC-5040	21 Aug 80	Lehr Siegler	Sale and export of altitude reading reference systems to specific tactical fighter aircraft	Closed - Withdrawn	Disapproved	10 Sep 80
OC-5045	21 Aug 80	Israel	Sale and export of multiple integrated laser equipment system (MILES), training equipment	Closed - No Objection	Disapproved	4 Dec 80

ADJUTANT GENERAL'S OFFICE REPORT OF EQUIPMENT (Cont'd)

GASG NO.	DATE	CLASSIFICATION	COMPANY	DESCRIPTION	CLOSURE/STATUS	
					CLOSURE/STATUS	STATUS
GC-3043	27 Aug 60	Secret	Form	Versatile 7000 Plotter/Printer	Closed - No objection	Pending
GC-3181	9 Sep 60	LTV (Vought Corp)		Brachery, Ground Launch Vehicle System, Jan 60	Closed - RMA	RMA
GC-3187		Telodyne		Model PCB-116-2 Camera	Closed - Withdrawn	Disapproved - 17 Oct 60
GC-3130	19 Oct 60	BCA		Range Instrumentation Radar Equipment	Closed - Withdrawn by OMC	Disapproved Oct 60
GC-3182	10 Oct 60	Raytheon Co.		Ad/TMC-170 Digital Videorecorder Communications system	Closed - objection	Disapproved 21 Jan 61
GC-3186	8 Oct 60	Westinghouse		Registic measurement & Treatment Facility	Closed - Withdrawn by OMC	Disapproved Oct 60
GC-3315	17 Oct 60	Littion Systems		Lab-33 100	Closed - Withdrawn by State	Disapproved 4 Nov 60
GC-3333	10 Nov 60	Electronic Numerics		Militarized Anal-computer	Closed - RMA	RMA - 2 Mar 61
GC-3346	3 Nov 60	PNC Corp.		M548 Cargo Carriers	Closed - No objection	Pending
GC-3347	3 Nov 60	PNC Corp.		Armored Infantry Fighting Vehicle	Closed - Withdrawn	RMA
GC-3348	3 Nov 60	PNC Corp.		M113A2 Armored Personnel Carriers	Closed - Withdrawn	RMA
GC-3403	15 Jan 61	Loar Siegler, Inc		Target Drone Autopilots	Closed - Withdrawn	Disapproved 2 Mar 61

PRC Dual-Use Export Cases Referred to DoD by Commerce
Department

Unlike the procedures which govern Munitions Control, the request for a license under the Export Administration Regulations constitutes a request for authorization to ship the item, not to negotiate the sale. The exporter has already negotiated with the ultimate consignee and has a contract in hand. Except for the few cases wherein the applicant has requested an advisory opinion, there is an "order" already in hand which the export will fill.

Therefore while only some of the cases listed herein fall within the purview of the 4 September list, all but the first case listed are for items that an element or Ministry of the PRC has requested. Therefore the items in question are not "hunting" expeditions by U.S. industry.

It is also necessary to point out that Group 2 of the 4 September list relates to a line of Honeywell and Digital Equipment (DEC) computers plus a level of disc drives. The specific DEC computer listed is a militarized version of the very popular PDP 11/34. This system is not manufactured by DEC, but by the Mordin Division of United Technologies.

However the non-militarized version by DEC and computers of comparable or higher performance by other mainframe manufacturers were considered to be included or at least implied under Group 2.

James J. Hower
CAPT., USN
Assistant Director
for Technology Trade

PRC Dual Use - Export Cases Refers to DoD by Commerce Dept
 While appropriate Group and Category from 1 Sept 1980
 List are cited. NA means not applicable to 4
 Sept List.

STR NO.	VALUE	COMPANY	COMMODITY	REMARKS
None Advisory Opinion OC 6164	None (no stated cost value)	McDonnell Douglas	DC-9-80 licensed production- basic policy involved, advice and guidance requested. (Joint cooperation in commercial transport aircraft production)	Approval in principle 31 Jan 80
NA 38752 38179 OC 6166	\$ 26,000	GTE Sylvania	Demo of voice digitizer	Approval with provision 17 Jan 80
NA 39956 OC 6172	\$ 500,000	McDonnell Douglas Corp.	Specially designed parts and accessories for use in manufacture of aircraft	Approval 7 Feb 80
NA 397820 OC 6180	\$ 6,517	Medlake Corp.	MYCAM Optical Heads	Approval - 6 Mar 80
Comp 373421 373438 OC 6138 373411 OC 6138 S.1	\$ 1,009,000 (price included in back-buy of finished IC)	MUSTER Corp.	Establishment of a facility to manufacture ICs	Approval with provision 22 May 80 ✓

ITEM NO.	VALUE	COMPANY	COMMODITY	REMARKS
401637	Tech Data	Ball Helicopter	Components, accessories and TD for assembly of helicopters	Approval 1 May 80
411261	Tech Data			
403630	\$ 30,000,000			
403631	\$ 20,000,000			
OC 6188				
366283	Value not given	E. I. DuPont	Technology to manufacture Chromium Dioxide Magnetic Tape	Denial - 10 Apr 80
OC 6184		DeMours & Co.		
400321	\$ 100,000	McDonnell	CWC Units for Multi-Area Machines, Actrion III	Approval - 2 Area Denial - 5 Area 10 Apr 80
OC 6185		Douglas Corp		
372915	\$ 1,503,352	Georesport Inc.	20 Salamic Data Processing Systems with Array Processors and graphic display and plotting systems	Mo objection with provisiong - 10 Apr 80 Still working out details with CDC with respect to irreversibility.
372917	\$ 4,415,856			
372920	\$ 7,373,971			
372921				
372935				
372896				
OC 6186				
354249	\$ 7,373	J M Company	Disc Packs (100 Mbyte and tape for use with indigenous computer	Approval of tape, but denial of disc packs until PMC identify end use/users - 24 Apr 80
OC 6187				
428752	\$ 1,425,582	IBM World Trade Corp.	One IBM 4331 computer and one IBM 2580 distributed data system	Mo objection subject to conditions. 15 May 80
OC 6192				

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SPR NO.	VALUE	COMPANY	COMMODITY	REMARKS
420366 OC 6193	\$ 4,000,000	Asilum Industrial Co.	IC Dice	Approval - 22 May 80
433847 OC 6193	\$ 443,345	Geometrics Inc.	Computer System for Uranium Exploration	Approval with provision 7 August 1980
433847 OC 6193	\$ 18,679.54 26,936.00	Westinghouse Electric Co.	4 Area CMC Unit, resupport from UK	PRC List - 7 August 1980
433847 OC 6193	\$ 2,305,487	Burroughs Corp.	Burroughs 86810 Computer system for UM-Sponsored information processing and training center	Approved - 7 August 80

NA
433847
OC 6193

NA
433847
OC 6193

OC DOCUMENTS

BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
411759 OC 6186 <i>NA</i>	\$ 40,000	General Electric	3 Axes CMC Units, G.E. 1050 MC, temporary export	<i>Denied</i>
411077 OC 6197 <i>NA</i>	\$ 480,497	Schlumberger Tech Corporation	Temporary export of a DEC/VAX 11/780	Awaiting clarifying statements from applicant <i>Ch. 11/11/80</i>
case NA 611201	\$ n/a	Digicon Inc.	Advisory Opinion on proposed export of DEC VAX 11/780 computer system for seismic processing	Deferred subject to safeguards issue being developed for Western Geophysical - 2 Aug 80 <i>Ch. 11/11/80</i>
OC 6208 336365 NA 6212 336485	\$ 115,210.00	Western Geo- physical Co. of America Digital Equipment Corp.	IBM 3033 computer for oil exploration Reexport to Japan - VAX7 graphic display with VTL controller, request for advice and guidance	US-owned and operated <i>Ch. 11/11/80</i> <i>Reexport to Japan - VAX7 graphic display with VTL controller as submitted</i>

BTR NO.

336465
OC 6212

VALUE

\$ 15,210.00

COMPANY

Digital
Equipment
Corp.

OC DOCUMENTS

COMMODITY

Reexport from Japan - VRI7
graphic display with VRI1
controller, request for advice
and guidance

\$2,371,992.00 Sperry World
Trade

Loan of Univac 1100/11 computer
system for "Joint Project" and
maintenance training of PMC
Personnel

REMARKS

Approved for reexport
by the State Dept.

Approved

TECHNICAL DATA

REF NO.	VALUE	COMPANY	COMMUNITY	REMARKS
μA 407117	No stated cost value	United Technologies Corporation	Tech Data for manufacture of selected components of Pratt and Whitney of Canada PT6T-6 turbo shaft aeroengine	No objection as long as release is limited to PT6T-6 engine as requested - 6 Mar 80
μA 407117	\$159,000,000	Aluminum Co. of America	Tech Data, construction, operation, 3 aluminum smelters, Alcoa 697 pot cell design including ancillary facilities	No objection 25 Feb 80
μA 408742	\$ 2,000,000	Union Oil Co. of California	Tech Data - Design, construction and operation of uncracking hydrocracking unit	No objection 3 Jan 80
μA 413024	\$ 5,000,000 (Est)	Aale Budget	Tech Data - Engineering design, construction, operation and maintenance of plant to hydro treat naphthalene and produce phthalic anhydride from desulfurified naphthalene	No objection
μA 413183	\$159,000,000	Aluminum Co. of America	Tech Data - Bauxite and Limestone mine and an alumina refinery plant	No objection 11 Apr 80
μA-413612	\$ 1,000,000	Union Carbide Corp	TD for purification of hydrogen using pressure swing absorption system	No objection 18 March 80

REMARKS

COMMODITY

COMPANY

VALUE

OTR NO

NA 420112	\$ 212,000	Allied Chemical Corp.	Tech Data - construction operation and maintenance of gas purification plant for removal of acid gases.	No objection 7 Apr 80
NA 420903	\$ 315,000 (approx)	McGraw-Hill Co.	Tech Data - Manufacturing drawings, design, procedures, manuals, specs, training, production of industrial and commercial electrical power shunt capacitors	No objection 9 Apr 80
NA 421801	\$ not yet negotiated	Rohm & Haas Co.	Tech Data for production of acrylic emulsion polymers	No objection 19 Mar 80
NA 421800	\$ not yet negotiated	WABCO Construction and Mining Group	Tech Data - Construction of structural components of off-highway trucks in 120 and 170 tons capacity and final assembly	No objection 21 May 80
NA 420750	\$ 25,000 (Reproduction cost of drawings)	Sperry Corp.	Manufacturing drawings, specs, and test data relating to heavy machinery portion of Sperry Gyrofin Ship Stabilizer	No objection 29 April 80
424314 424315 424316 424317 424318,19	\$ 6,000,000	Shell Development Company	Tech Data - geophysical data offshore including maps	No objection 7 Apr 80

DATA NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA 414745	\$ 50,000	Benfield Corp.	Tech Data for removing carbon dioxide/hydrogen sulfide from synthesis gas	No objection - 21 Feb 60
NA 414903	\$ not applicable	Coca Cola Co.	Tech Data for construction of a facility to produce Coca Cola	No objection - 24 Jan 60
NA 415628	\$ 320,000 plus royalties	Rosemount Inc.	Tech Data for production of Model 1151 electronics pressure transmitters	No objection to release of basic tech data 14 Apr 60
NA 416780	\$ not stated	Singer Co.	Know-how technical info and tech data for assembly and manufacture of household sewing machines	No objection - 4 Mar 60
NA 416953	\$ not applicable	Allie Chalmers Corporation	Blueprints, mechanical drawings, and material specs for proposed package for tractor parts	No objection - 13 Mar 60
NA 418443	\$ 700,000	Davy McKee Corp.	Tech Data feasibility study for expansion of Chiao and Hsueh gold and silver mines, beneficiation plants and recovery plants	No objection - 14 Feb 60
NA 418998	\$ 4,000,000	American Cyanamid Company	Tech Data - Titanium dioxide plant and waste treatment plant	No objection - 22 Apr 60
NA 417838	\$ 850,000	G.E.	Drawings, Specs, assembly, test	No objection - 30 Jan 60

OTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA 418157	\$ 25	Sperry Corp	Specs and drawings related to a Sperry MK37 and Mod 1	No objection - 7 Jul 48
NA 420944	\$ 3,800,000	G.E.	Drawings, Specs, assembly, tests and training related to assembly of black and white TV receivers and chassis	No objection - 3 Jul 48
NA 432476	100,000	Sperry Corp.	Drawings, process sheets, specs, quality control and test procedures relating to production of a series of industrial hydraulic control valves	No objection - 17 Jul 48
NA 417950	\$ no cost value	Sperry Corp.	Request for quotation for manuf. of small vessel autopilot Sperry Model 87	No objection - 10 Jul 48
NA 440263	\$ no stated	Garrett Corp.	Request for quotation to manuf parts in PRC on environmental control systems on Boeing 707, 737, 474, 767 model aircraft	No objection - 31 July 48
NA 445275	\$ not applicable	Xerox Corp.	Set of drawings for Xerox Model 3300 copying machines	No objection - 11 Jul 48
NA 506358	\$ n/a	Hughes Tool Co.	Drawings, specs to produce core type rock bits	No objection - 28 Aug 48

BIR NO.	VALUE	COMPANY	TECHNICAL DATA CASES	COMMODITY	REMARKS
432476	\$ 300,000	Sperry Corp.		Manufacturing drawings, process sheets, etc., industrial hydraulic control	No objection - 18 July 80
440328	\$ 5,308,000	WEAM United Inc.		TD to galvanizing line, coil painting line and roll forming line associated with cold rolling mill steel plant	Received 13 Aug 80 No objection - 8 September 80
501827	\$22,500,000 plus royalties	Hughes Tool Co.		Know-how, info, tech assistance and training production and use of oil field rock bits	Received 30 July 80 Comparable to Drenth case for USGA Received 8/7/80 Closed by Dr. Carlson
504358	\$ n/a Royalties to be paid	Hughes Tool Co.		Drawings, specs to produce cone type rock bits	

WALVER MEMOS		COMMODITY		REMARKS	
BTR NO.	VALUE	COMPANY			
384923 <i>for the 1st 1/2 yr</i>	\$ 229,640	Danematsu-Gosho-Inc. (USA)	Manufacturing equipment for ICs	Deny Request Model 2101 Approve PMS 500 30 Jan 80	
404719 <i>for the 1st 1/2 yr</i>	\$ 4,565	Hewlett Packard	Scope and Probe	No objection - 10 Mar 80	
405981 <i>for the 1st 1/2 yr</i>	\$ 108,125	Laser Analytica Inc.	Laser source spectrometers	No objection from technical standpoint, but for USSR should be reviewed after redefinition of procedures 10 Mar 80	
407062 <i>for the 1st 1/2 yr</i>	\$ 198,960				
407104 (RPM) <i>for the 1st 1/2 yr</i>	\$ 15,000	IBM Corp.	Scope	No objection - 7 Feb 80	
417361 (PRC) <i>for the 1st 1/2 yr</i>	\$ 71,680	Keithley Instruments Inc.	Digital Multimeter	No objection - 14 Feb 80	
417362 (PRC) <i>for the 1st 1/2 yr</i>	\$ 96,105 31,789	GeoMetrica Inc.	Magnetometer	No objection - 17 Apr 80	
411497 <i>for the 1st 1/2 yr</i>	\$ 41,200	Burleigh Instru.	Demo of PCL Laser	No objection - 13 Mar 80	

BTR MO.

416801
416804
416805
416223
416224
416228
416229
416230
416231
416232
416233
417301
417375
417376
420092
W-1385

VALUE

26,008.98
4,013.70
10,768.65
2,227.00
4,958.05
8,714.20
4,430.00
9,409.50
7,175.00
3,709.40
3,983.95
8,516.45
10,140.50
26,066.10
19,600.00

Pluke Int'l Corp

COMPANY

COMMODITY

Digital Voltmeters

REMARKS

No objection - 1 May 68

NA 419335
NA W-1387

FILE

Radometer System

No objection - 10 May 68

NA 427021
NA W-1391

FILE

Communications Service Monitor

No objection - 9 May 68

NA 422949
NA W-1389P

FILE

Demo of Rites V Alpha Telex Exchange

No objection - 14 May 68

NA 405591
NA W-1380

FILE

Marine Selsmic Streamer Cable and related hydrophones

No objection - 14 May 68

*of these (hand) 3 are
in group 3 and 6*

BTM NO.	VALUE	COMPANY	COMMODITY	REMARKS
424915 W-1406P	\$ 435,350	IBM World Trade Corp.	Export of IBM 370/138 Computer System	No objection with provision - 11 Jun 80
433368 W-1409	\$ 11,160	Hewlett-Packard	Microwave TWT amplifiers	No objection - 29 May 80
395946 W-1402P	\$ 182,300	Digital Equipment Corp.	Reasport from Hong Kong - PDP 11/34 computer system with R101 disc drive and UA 17 graphic display	Approved PDP 11/34 denied graphic display 10 Jun 80
420118 W-1405	\$ 107,554	DEC Geometrics Division	Magnetometer Systems	Approved - 25 Jun 80
433559 W-1407	\$ 10,480	RCA	Photomultiplier Tubes	Approved - 21 May 80
437929 W-1418	\$ 28,000	Hewlett-Packard	Cesium Beam Frequency	Approved - 25 Jun 80
439288 W-1421	\$ 21,000	EGIG	Spectroradiometer System	Approved - 25 Jun 80
443488 W-1431	\$ 16,500	Fluke Int'l	Counter	Approved - 10 Jul 80
406380 W-1380P	\$ 46,120	Hewlett-Packard	Calculator with Frequency	Approved - 10 Jul 80
447136 W-1433	\$ 10,357	RCA	Photomultiplier	Approved - 16 Jul 80

No two RCA image photomultiplier tube
 24 commercial vacuum/leaky generation
 of 1941 vacuum tube station in Group 11 Lot C
 New Tubes relate to TV system and are not
 really covered under Group 11.

WALVER MEMOS

REMARKS-

RTN NO.	VALUE	COMPANY	COMMODITY	REMARKS-
353695 AM NA W-1113	\$ 68,000	General Electric	4 ea. EC 1050 MCL CMC units with parts and accessories	
420630 NA W-1190P	\$ 5,253,000	MFS Systems Corporation	Aircraft structural loading and Data Acquisition System	No objection 8 October 89
401134 NA W-1392P <i>sample of what we need for the new NA W-1404P</i>	\$ 331,298	Perkin Elmer Computer Systems Div.	Model 8/32 computer system with 300 Mbyte disc drive	
390677 NA W-1404P	\$ 27,763	Tektronix Inc.	Tektronix Graphic Terminal	
426906 NA W-1412	\$ 116,812	Hadron Inc.	Holographic Laser System	
440964 NA W-1415P	\$ 15,680	Citation Computer Systems	Intel Microcomputer development system request for advice and guidance	<i>Denied</i>
434603 NA W-1416P	\$ 25,000	Acoustic Technology Corp.	Acoustic Emulsion Test System	<i>Approved</i>
415845 NA W-1424P	\$ 4,000	Cromenco International Inc.	Single card computers	<i>Approved</i>
416959 NA W-1435P	\$ 45,000	General Telephone & Electronics (GTE)	Proposed demo of a GTO-120 PABX	No objection 1 August 89

BTN NO.	VALUE	COMPANY	COMMODITY	REMARKS
442915 W-1429	\$ 36,000,000	Douglas Aircraft Corporation	Search tools (Master tools) used in production of the DC-9-80	No objection - 17 September 80
364225 364226 364231 364234 364273 364228 364229 364232 W-1438	\$ none	Geophysical Services	Seismic Exploration	w/cond. 17 September 80
446051 W-1435	\$ 23,156	Fluke Int'l	Calibrator	
435942 W-1441P	\$ 10,000	IBM World Trade	Maintenance device for IBM disc storage	No objection - 8 September 80
443860 W-1446	\$ 167,492	Apollo Laser, Inc.	Ruby Holographic Laser and Camera System	No objection - 8 September 80
W-1449 446066	\$ 31,200	Infrared Assoc. Incorporated	Infrared detector	Additional info requested - 8 September 80

QTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
431632	\$ 18,420	B&P Sales Corporation	Infrared radiation detection equipment	No objection - 23 September 60
432633	112,375			
W-1447				
502631	\$ 65,000 approx.	Analog Devices	Various converters, etc.	
502632				
502633				
502634				
502635				
502636				
502637				
W-1452				
429195	\$ 150,750	Systems, Science and Software	E-Beam Laser Systems	
W-1457	7,900			
506128	\$ 13,125	Hewlett-Packard	Oscilloscope	No objection - 29 September 60
W-1458				

NA
NA
NA
NA

BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA 438981	\$ 12,939	Raytheon Company	Electron tubes, machlett tubes, water, jacket, O-ring gaskets	No objection - 8 Jul 60
NA 441600	\$ 16,969.99	Varian Corp.	Parts for Varian 620L-100 System	No objection - 16 Jul 60
NA 441520	\$ 72,655	Electronic Associates, Inc.	EAI 2000 analog computer	No objection - 10 Jul 60
NA 441525	\$ 21,463	Hewlett-Packard	Spectrum analyzer	No objection - 11 Aug 60
NA 443086	\$ 210,000	Easton Corp.	Air Traffic control processing and display system, low noise amplifier	No objection - 11 Aug 60
NA 443164	\$ 1,125	11-VI Inc.	Zinc Selenide Optical mirrors	No objection - 15 Aug 60
NA 447133	\$ 2,017	National Semiconductor Corporation	LM4250	No objection - 25 July 60
NA 447962	\$ 2,870	EG&G	550 radiometer system and accessories	No objection - 23 July 60
NA 500891	\$ 1,348,437	Ampex Int'l	Videotape recorders reproduce	No objection - 25 July 60
NA 505711	\$ 129,500	Digital Equip-	1 PDP 11/34 computer system	No objection - 26 Aug 60

*See request for funding, vol. 1, item 1
in letter, Group 3 or 6*

Sample
BTR NO.
505757

VALUE
\$4,677.00

COMPANY
Hewlett-Packard

COMMODITY
Spectrum Analyzer

REMARKS
Approved - 26 Aug 81

OUT CASES

NA	VALUE	COMPANY	COMMODITY	REMARKS
431343 AM.	\$ 220,339.10	Canberra Industries	Appended to include teletype, print head, Fortran programming language to Fortran IV	No objection 13 August 80
503292	\$ 1,306	RCA	VET 250 cassette video recorder	No objection 31 July 80
504691	\$ 1,950.00	Kantman Kodak Co.	Film	No objection 8 September 80
433553	\$ 11,790.00	Solartron	CPU, LSI, Floppy Disc, decoder, diodes	No objection 10 September 80
447132	\$ 1,217.00	National Semiconductor Corporation	Transistors	
444790 AM.	\$ 20,000.00	Control Data Corporation	Spare parts for CDC Cyber 18-20 computer system	Refer to item 8 September 80

STR NO.	VALUE	COMPANY	COMMODITY	REMARKS
WA 506153	\$ 2,387.00	Analog Devices Inc.	Converters	
WA 507340	\$ 734.00	Eastman Kodak Co.	High Definition Serial film	Deny - 2 Oct 80

STR NO.
503711

VALUE
\$ 129,500

COMPANY

Digital Equipment Corp.

COMMODITY

1 PDP 11/34 computer system with associated spares, supplies, and software

REMARKS

No objection - 26 Apr 80

504701

\$ 3,856.87

Laser Precision Corporation

Energy ratemeter, probe

No objection - 27 Apr 80

COMPUTER MEMOS

BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
401050 CM 2188	\$ 4,215	Texas Instruments	Demo of portable terminal incorporating bubble memory device	Dental - 7 Jan 80
398070 270891 389819 (USSR) CM 2221	\$ 10,890 28,098 54,812	Morland Corp.	Morland Model 3001 processing digital oscilloscopes	No objection - 28 Jan 80
398937 CM 2257	\$ 245,810	Digital Equipment Corporation	DEC PDP 11/34 computer w/MK07 disc drive	No objection providing software is minimum required to support current use - 14 Jan 80
405594 CM 2263	\$ 700,000	Grant Geophysical Corporation	Seismic data processing system with array transform processor	No objection - concurred with DOC - 21 Feb 80
406396 410648 CM 2304	\$ 54,000 20,000	Mohawk Data Sciences Corp.	2 MOS 21/50 multiple application processing systems	No objection - 10 Mar 80
411820 CM 2307	\$ 56,835	Hewlett-Packard	HP1000 Model 30 computer for use in a C-100 planicomplotting system	No objection - 10 Mar 80
420216 CM 2321	\$ 54,000	IBM World Trade Corp.	Service (Customer) engineering education on IBM Series 1 Computer Systems (Tech Data)	No objection - 22 Feb 80

STR NO.	VALUE	COMPANY	COMMODITY	REMARKS
420217 CM 2327	\$ 63,600	IBM World Trade Corp.	Customer Engineering Education on IBM 4331 Computer System (Tech Data)	No objection provided it understood this will not prejudice US position on hardware - 11 Apr 80
993645 CM 2343	\$ 77,570	Sackman Assoc.	Model 4047A disc drive, printer and accessories for use with PRC computer	No objection provided tech data is limited to standard operation and maintenance info 22 Apr 80
419923 CM 2345	\$ 11,600,000	Aluminum Co. of America	3 DEC PDP 11/34 computer systems.	No objection - 22 Apr 80
421914 CM 2357	\$ 13,318	Colorado Video Inc.	Digital image processing equipment	No objection - 5 Jun 80
421914 CM 2358	\$ 110,762	Burroughs Corp.	Burroughs B92 Computer System	No objection - 14 May 80
366052 366077 366168 CM 2361	\$ 45,600 15,200 45,600	WANG Labs	Enhancement of computer systems with WANG 2265V disc drives	No objection - 25 Jun 80
429821 CM 2368	\$ 379,500	ASZA AB Sweden	Reexport from Sweden - 3 ModComp computer systems for use in Electric Power Distribution	No objection - 1 Jul 80

DATE MO.	VALUE	COMPANY	COMMODITY	REMARKS
4/13/55	\$ 445,344	WANG Labs	Demo of WANG Computer Equipment	No objection - 14 May 50
4/29/55	\$ 123,739	Electronic Associates Inc.	EAI 2000 Analog/Hybrid Computer System	No objection - 3 Jul 50
5/29/55	\$ 99,303	Pertin-Elear	Enhancement of QJS-104 computer (PRC Origin) with tape units	No objection - 29 Aug 50

4/13/55

4/29/55

5/29/55

4/13/55

4/29/55

5/29/55

COMPUTER MEMOS

CTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
388139 (PRC) 390788 (PRC) 420467 (PRC) 417304 (Hungary) CM 2341	\$ 132,620 132,620 262,748	Dunegon Endevco	Computerized Source Location System (Acoustic Emission Monitoring System)	No objection - 19 September 80
4119601 CM 2367	\$ 1,163,813	IBM World Trade	One IBM 4331 and 2 IBM Series computers	
438289 CM 2390	\$ 10,300	Chow Yang Co. El Carrito, CA	Microcomputer parts and accessories	
434482 CM 2393	\$ 3,800,000	Heath Company Int'l Division	2000 sets of HP89 digital computer w/HP 89/H-8-21 disk drive operating systems with microsofK basic	No objection - 10 September 80
501007 CM 2395	\$ 106,400	Sackman Assoc.	Parts and components for Nova 4/X Computer used in testing construction material	Requested info 25 July 80
993909 CM 2414	\$ 1,100,000	Canadian Embassy	Reexport from Canada - Computer System for Processing Geological data	No objection - 17 September 80
432394 CM 2341	\$ 260,000	Digital Equipment Corp.	Export of PDP 11/34 computer	

REF NO.	VALUE	COMPANY	COMMODITY	REMARKS
UA 434879 CM 2435	\$ 7,368	Argonne Labs	Computer and related equipment for Institute for High Energy Physics	No objection - 12 September 80
UA 503795 CM 2421	\$ 30,585	Kennedy Co.	Model 9300 tape drives, 9218 formatters to enhance Command III A computer system	No objection - with conditions - 18 August 80
UA 434877 CM 2465	\$ 105,591	Texas Instruments	Computer System	No objection - 23 September 80
UA 435840 CM 2448	\$ 162,050	Wang Labs	Wang Computer with High EBITR	Concur with Commerce 23 September 80
UA 440082 CM 2460	\$ 85,000	Digital Equipment Corp.	PDP 11/04 systems with RL11 RL01 disc controller drive	No objection - with conditions - 8 October 80
UA 442638 CM 2464	\$ 300,000	Digital Equipment Corp.	PDP 11/34 16 bit CPU with 2.1 Mbit semiconductor memory	
UA 445616 CM 2446	\$ 160,000	Systems Tech. Int'l Inc.	DEC PDP 11/34 CPU with RL02 and CAMAC Interface	
UA 501986 CM 2417	\$ 149,238	ICA	2 MOVA 4/x Computer systems	No objection - 23 September 80

BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
503733 CM 2441	\$ 9,680	Taching Import	Proposed denial of IL 1529 equipment	
503796 CM 2462	\$ 276,105.00	Burroughs Corp.	Demo of Burroughs Computer System	
503771 CM 2441	\$ 8,153.79	Geospace Corp.	Spare parts for A GS C 1704 seismic digital computer processor	

EQUIPMENT THE PRC HAS EXPRESSED INTEREST IN —
NO NOMINATION LICENSE APPLICATIONS SUBMITTED
(as of 24 Feb 1981)

EQUIPMENT

COMMERC Gear

QTH Radar

Domestic Communications Satellite

Night Viewing Devices (all types)

TPS-59 Radar

Aircraft Engines and Accessories

Inertial Navigation System (LIT-51)

U.S. COMPANY

Technical Communications Corp.

General Electric

Hughes Aircraft

Venus, Varo, ITT, et al

General Electric

P Pratt-Whitney & GE

Litton

~~SECRET~~

OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, DC 20301

6 March 1981

RESEARCH AND
ENGINEERING

MEMORANDUM FOR ACTING DEPUTY UNDER SECRETARY (INTERNATIONAL PROGRAMS AND TECHNOLOGY)
DEPUTY ASSISTANT SECRETARY (EAST ASIA & PACIFIC AFFAIRS),
INTERNATIONAL SECURITY AFFAIRS
OFFICE OF GENERAL COUNSEL (INTELLIGENCE, INT'L & INVESTIGATIVE PROGRAMS)
DEFENSE INTELLIGENCE AGENCY (ASS'T VICE DIRECTOR FOR SCIENTIFIC & TECH INTELLIGENCE)
DIRECTOR FOR FAR/MIDDLE EAST/S HEMISPHERE AFFAIRS (DUSD/IFAT)
ORGANIZATION JOINT CHIEFS OF STAFF (J5 - FAR EAST/SOUTH ASIA DIV)
DEPARTMENT OF THE NAVY (OP-62)
DEPARTMENT OF THE AIR FORCE (CVAIF)
EXECUTIVE OFFICER, OUSDRP

SUBJECT: PRC MIG-21 Engine Overhaul-Coating Request (C)

(U) On 2 March 1981 (13:25-13:31) I received a phone call from Mr. Lennox E. Black, President of Telaflex, Inc. (parent company of Sermetal, Inc.). Mr. Black stated that the Chinese (PRC) had told him that the Chromalloy American Corporation had recently received approval from the USG to coat three Chinese MIG-21 aircraft engines with their special ceramic-metallic oxide coatings, and that once coated, the engines were to be returned to the PRC for Chinese test and evaluation.

(U) Mr. Black further indicated that the Chinese would like for his company to likewise coat seven other MIG-21 engines using the Sermetal-J process. Sermetal would, like Chromalloy, also return the engines back to China for their test and evaluation. He asked if the Chinese statement was true; and if so, would his company receive the same treatment? I remarked that I would look into the situation and that all companies would be treated the same.

(U) LTC B. A. Meiser, Director, Munitions Control Staff of my Office, reviewed all DoD cases for the PRC and also contacted the Office of Munitions Control (OMC) at State to see if they had either received or approved any such license for the PRC. Neither OUSDRP nor OMC files revealed any such license application or resultant approval. Mr. W. Robinson, Director of OMC, did indicate to LTC Meiser, however, that he had heard there might be such an application forthcoming shortly. Under the present guidelines as noted in Newsletter 81 and subsequent interpretations thereof, license applications of this type cannot be approved. Mr. Robinson further stated that he would either disapprove or return without action (RWA) all such applications.

(U) At my request, Mr. Robinson indicated he would not disapprove or RWA such license applications until we had the opportunity to discuss them in detail. He was also asked to immediately inform us and his superiors whenever the Chinese, Chromalloy or Sermetal/Telaflex do submit applications for this purpose.

CLASSIFIED BY: DUSD(IFAT)
DECLASSIFY ON: 4 Mar 1987

~~SECRET~~

DECLASSIFIED BY AUTHORITY OF
OSD

21 MAY 98
DATE

93-F-2441

~~SECRET~~

(K) The primary rationale for requesting CMC/State to delay immediate adverse action on these licenses is because of the potential opportunities they provide the new administration. If approved, they would allow the U.S. to cautiously move into a moderate but closer defense relationship with the Chinese; and it would provide the type of technical assistance they have repeatedly emphasized they need with respect to their interceptor aircraft.

(U) Approval in this instance is obviously a major policy decision, and not simply an operational or technical one, even though the number of engines involved is small and the objective is simply to coat the engines, not transfer the technology. For your information, U.S. companies have set up similar coating facilities in both Western European and East Asian (e.g., Japan and Malaysia) countries, and could be approached by the Chinese to perform the same service.

(S) There are, of course, other potential benefits to the U.S., not the least of which would be the excellent opportunity to exploit the Chinese engines for technical intelligence purposes. If considered appropriate, arrangements could probably be made for the U.S. to assist the Chinese in a joint test and evaluation program. This would be extremely helpful to us if proper test controls and conditions were followed and we had access to all of the test results.

(S) An advantage to approving this type of license application is the fact that only the result (or product) of U.S. technology would be exported. Neither the production know-how nor a process-line type of capability would be exported. Of itself, it potentially opens up for consideration other U.S. services which might be made available to help the Chinese improve their overall tactical posture. At the same time, however, this approach would have the PRC dependent upon the U.S. for future services, unless of course, later USG decisions permitted the technology and process equipment to be exported. Providing only services has other advantages as well. It is, for example, much less dramatic and provocative vis-a-vis the USSR, and is consonant with the step-by-step approach to improving US-PRC relations agreed to during earlier meetings with the Chinese. It would most likely require consultations with our COCOM allies, however, as well as a revision of existing guidelines.

(S) The potential disadvantages of approval are those associated with any closer defense relationship with the Chinese. In addition, the Chinese could convey the results of their tests and evaluations to the USSR. The net benefits to China of their doing so are less obvious, however.

(U) This does appear to be one of the more unique opportunities available to move towards a closer US-PRC relationship. It would also start things moving again vis-a-vis the PRC. It appears to have very limited risks for our own security, and does have other side benefits. It must be a conscious move on our part, however, and should be taken only after the relative risks and benefits have been evaluated by OSD, OJCS and the Services.

(U) Your comments and guidance on what action to take regarding the above-mentioned cases are requested.

Francis B. Kapper
Francis B. Kapper, Director
Military Technology Center

~~SECRET~~



RESEARCH AND
ENGINEERING

THE UNDER SECRETARY OF DEFENSE

WASHINGTON D.C. 20301

24 FEB 1981

MEMORANDUM FOR THE SPECIAL ASSISTANT TO THE SECRETARY AND DEPUTY SECRETARY
OF DEFENSE

SUBJECT: Status Report on PRC Munitions and Commodity Export Cases

As requested, please find attached the following items by tab:

TAB A - PRC munitions cases referred to DoD from 1 January 1980 to
~~20 January~~ 1981 by the Department of State
3 March

TAB B - PRC Commodity Control export cases referred to DoD by the Department
of Commerce from 1 January to 9 October 1980

TAB C - Military equipment the PRC has expressed strong interest in but for
which no munitions license applications have been submitted

140
New TAB A
The updated munitions list (Tab A) should ^{not} be considered a draft as the
Department of State is still in the process of verifying the status of each
case and adding new cases to the list which have come in since 21 January 1981.
As of 20 January, a total of 102 munitions cases have been referred to DoD by
State, and we estimate that approximately 20 additional munitions license
applications have been received since President Reagan's inauguration. All
of these applications will be shown in our 1 March update. Due to an extremely
heavy case load, the Office of Technology Trade has been unable to update the
list of dual-use items covered by the Commodity Control List (CCL). Unless
directed otherwise, we will ask that a complete list of PRC requests for items
on the CCL be sent to the CIA by the Office of Export Administration (OEA) of
the Department of Commerce.

It should be realized that without holding detailed discussions with all of
the U.S. industry representatives doing business with the PRC, there is no
realistic way of knowing precisely everything the Chinese may wish to export
from the U.S. Rather than risk outright disapproval by the U.S. Government,
the Chinese typically try to get U.S. companies to seek an advisory opinion
from the U.S. Government as to whether or not a particular request will be
approved prior to making formal application. For your information, of the
102 munitions cases received from State, nine are still open (i.e., pending)
and 93 have been closed. Of the 93 closed, 50 were approved, four were dis-
approved, 31 were withdrawn and eight were Returned Without Action (RWA).
Almost all of the 39 cases either withdrawn or RWA would have been disapproved
by DoD. The export of the SCOUT Space Launch Vehicle was one such RWA case
we would have strongly disapproved of because of its strategic potential as
a Chinese ICBM.

The Chinese have expressed very keen interest in a number of military items which are either expressly prohibited by current U.S. policy or are not in the categories of equipment permitted for export by Munitions Newsletter #81. The major examples include their specific requests for anti-tank weapons, over the horizon (OTH) radar and for U.S. assistance in improving their F-8 interceptor aircraft, including fire control and inertial navigation systems, ECM gear, etc. We have also informally learned of a number of PRC inquiries for munitions items which neither the Chinese nor U.S. industry have officially requested permission to export. Examples of these are noted at Tab C.

By way of additional background, Dr. Frank Kapper, Director, Military Technology Sharing, OUSDRE did, with Dr. Dinneen's approval, meet with Mr. Charles Neuhauser, Assistant National Intelligence Officer (NIO) for East Asia (now Acting NIO) on 1 July 1980. The purpose of his meeting was to both give and receive information which would be helpful to the CIA on the one hand and to the USDRE during his September visit to China. Mr. Neuhauser was provided copies of all MFR's which documented the meetings with Mr. Liu Huaqing and Vice Premier Geng Biao. In addition, the CIA was provided the then most recent copies of the list of munitions and dual-use export cases that had been referred to DoD by the Departments of State and Commerce. Mr. Neuhauser was also given copies of all PRC wish lists including the ones given to Dr. Dinneen by Mr. Liu on 6 May 1980. Also provided was a copy of the 3 June 1980 "Summary of United States Department of Defense Positions on PRC Requests for Military Support Equipment". This is the s-b-c category list which identifies items we would consider for export (a); items we felt we needed more information on (b) and items we said we would not consider for export (c). Mr. Neuhauser stated he had accompanied Secretary Brown on his January 1980 trip to China and had also been designated as the CIA focal point for all activities relating to China. A copy of Dr. Perry's trip report on his visit to China was also provided to the CIA.

In short, the CIA in the person of Mr. Neuhauser has already been provided extensive background information on what our earlier discussions with the Chinese were and also on those items which the PRC had expressed specific interest in. CIA also has representation on both the Technical Advisory Committees (TACs) and on the Operating Committee (OC). More specifically, Mr. George Schember of CIA is a non-voting member of the interagency Operating Committee, which is chaired by the Department of Commerce. Mr. Schember serves as the interface for both State and CIA on export license requests for all proscribed countries. As a result of a recent CIA-Commerce agreement, he also has access to any information required by his Agency.

USD

F. Kapper

Walter B. LaBerge
Walter B. LaBerge
Acting